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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

NFAC 5885-80 25 August 1980

MEMORANDUM FOR: Director of

Director of Central Intelligence

Deputy Director of Central Intelligence

VIA:

Deputy Director for National Foreign Assessment

National Intelligence Officer for Warning

FROM:

Robert C. Ames

National Intelligence Officer for Near East and South Asia

SUBJECT:

Monthly Warning Assessment: Near East and South Asia

- 1. Libya. The failed coup attempt, which took place in early August, remains a murky affair. It is unclear as to how deeply key military units were involved and whether there was any significant collaboration between the putschists and civilian dissidents or outsiders. Although it appears the regime has events well in hand, Qadhafi has not appeared publicly. The events in eastern Libya raise several disturbing prospects:
 - -- We were not able to anticipate the coup attempt except in the broadest sense of knowing that Qadhafi's support has eroded seriously and similar efforts against him have taken place over the past five years. We 25X1 eastern Libya, which is the stronghold of anti-regime sentiment, and may not be able for sometime to piece together what happened there and its ramifications.
 - -- We assume that the August disturbances will increase tensions along the Egyptian-Libyan border and thus enhance the possibility of an incident, either by plan or miscalculation.
 - -- It is likely that the Libyan regime will become more defensive perhaps even suspicious of a US hand in the coup attempt and thus more inclined to react to US reconnaissance missions off the Libyan coast. The last Libyan reaction took place on August 5.

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2. Pakistan. Sectarian tensions are on the rise in Pakistan. Most recently, President Zia has inflamed friction between Shia and Sumni Muslims through his inept handling of a plank of his Islamization program - the Zakat tax. In addition to being angry with one another, both Shia and Sumni activists are becoming embittered with the martial law regime. These anti-regime sentiments are especially vulnerable to manipulation by Shia revolutionaries in Iran, who have in recent weeks become significantly more hostile in their approach to Zia. There is also mounting evidence of anti-Zia activity among Baluchi tribemen, some of whom are collaborating with the Soviet-backed Afghan government. Although sectarian agitation appears at this stage to be within bounds controllable by Zia, it could escalate - especially if fueled from outside - in ways that could divide and preoccupy the regime.

- 3. The Arab-Israeli Issues. Developments in the Middle East over the past month were the centerpiece of discussion among community representatives. There was general agreement that events over the past month foreshadowed continuing and possibly intensified tensions in the region.
 - -- Israeli attacks on Palestinian strongholds in southern Lebanon could usher in rapid escalation of hostilities there. Air clashes between the Israelis and Syrians have already taken place. It is also possible that there will be continuing Israeli attacks perhaps encouraging the Christian Phalange to go after Christian adversaries in the north led by former President Franjiyah. This, in turn, could draw the Syrians directly into the fray in order to protect Franjiyah, who has been an ally and supporter of Syrian policy in Lebanon.

The Israelis - concerned about the Palestinian arms build up and UNFIL's inability to control Palestinian activity - probably see the period of US elections and Syrian preoccupation with domestic trouble as an opportunity for greater operational flexibility. Thus, a major Israeli operation in Lebanon is a distinct possibility.

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-- Controversy over Jerusalem stirred by recent Israeli moves has greatly diminished prospects for resuming peace talks anytime soon. Although moves by those opposed in general to the Camp David negotiations have not been significant thus far, Crown Prince Fahd's call for a "jihad" (holy war) to thwart Israeli annexation of Jerusalem could provide an opening for future exploitation of anti-Camp David sentiments by radical Arab states. Meanwhile, friction between Egypt and Israel is building and there is the appearance of great disarray among the negotiating partners - the US, Cairo, and Tel Aviv. The danger in this situation is that both the tangible and intangible foundations for the negotiating process will erode irreversibly during this period of malaise.

Although there was general agreement among community representatives on the problems inherent in these individual events, there were widely differing interpretations as to whether taken together these problems significantly alter prospects for the region. On one side were those who felt this constellation of events was not dissimilar to other recent low periods in the area and that there was no convincing evidence that popular sentiment or even official attitudes indicated a desire to take radical new actions.

Contrasting to this view were those who felt that recent events have created a very ominous atmosphere that could badly erode the chances for an effective resumption of the peace process and could, in the extreme, cause the Arabs, who have few other effective weapons, to use more forcefully both the oil weapon and terrorism to press their cause. The growing pessimism in Israel over the prospects for peace and the sense of the inevitability of another war within the Israeli military were - along with circumstances already cited - seen as undermining the resolve, spirit, and creative effort required to keep the region from slipping back into the mentality of confrontation.

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4. Topics suggested for next month's meeting included: furthe	r discussion
of Pakistan; Syrian-Soviet relations; and prospects for negotiations	Decacen
Algeria and Morocco.	25X1

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